
General Terms and Conditions of Business

1. Scope of application

The following terms and conditions shall apply to our legal relationships to our business partners, including all our deliveries and other services. Deviating terms and conditions of business of Buyer shall require our written confirmation in order to become valid.

2. Quotation

Prices and minimum order values of our quotations shall be subject to change without notice and non-binding. All orders placed with our field service workers or trade agents shall only attain bindingness upon confirmation in writing on the part of the sales department, also with regard to quantities and prices. If applicable, our invoice shall have the character of an order confirmation. Prices shall be understood as being exclusive of packaging, dispatch and insurance ex works or warehouse, as the case may be. If dispatch is required as express delivery on the basis of franco domicile delivery, the additional costs shall be borne by Buyer. All tools, drafts and clichés shall be charged to Buyer separately. A minimum order value of Euro 100 or a low-quantity surcharge of Euro 10 for order values under 90 Euro or the difference to 100 Euro shall apply.

3. Delivery

All deliveries shall be at Buyer's risk. The selection of the means of transport shall be at our discretion. Transport insurances shall only be concluded upon express written instruction by Buyer. The costs of transport insurances shall be charged to Customer.

Delivery periods and delivery dates shall always only be deemed approximate to the extent that they have not expressly been termed binding in writing. Force majeure (e.g. war, fire, storm, lack of raw/ancillary materials etc.), disturbances of operation through no fault of ours (e.g. strike, lock-out or similar) and other circumstances for which we are not answerable (such as defective, delayed or omitted delivery to us, failure of the previous supplier due to bankruptcy or settlement, transport disturbances etc.) as well as all inescapable incidents occurring with us or our previous suppliers shall entitle us to withdraw from the agreement partly or totally or to reduce the agreed delivery quantity or to postpone the delivery date. The place of performance shall be the place of loading in question. Risk shall pass to Buyer upon acceptance of loading into the means of transport or, in a case of self-collection, upon provision for loading. Returns may only be done freight prepaid with our approval.

4. Quantity agreements

If not expressly agreed to the contrary, quantity agreements shall have a term of 12 months from allocation of the first batch delivery by Buyer. Until the end of the term of the agreement, the quantities agreed in the agreement shall be purchased in their entirety by Buyer. If not all the quantities agreed in the agreement have been purchased by Buyer by the end of the term, we reserve the right, at our option, to deliver and charge the outstanding quantities without specific request or to charge the quantities already delivered with a subsequent correction.

5. Payment

The invoices shall be paid without deduction within the payment period stated on the invoices. Cheques and bills shall only be accepted by way of payment, the latter only by specific agreement. Receipt of payment shall be deemed as being the day on which we can freely dispose of the amount. In arrears in payment by Buyer, interest to the amount of 3 per cent above the rate of big banks for current account loans plus any other damage through arrears shall be charged. We shall charge Buyer Euro 10 for each reminder. In protests against cheques or bills due to a lack of coverage, we shall be entitled to withdraw from the agreement.

6. Warranty

- (a) Buyer shall examine the goods and the packaging without delay upon delivery. Buyer shall notify all the obvious defects, short deliveries or incorrect deliveries within 5 working days of delivery. Buyer shall notify hidden defects in writing without delay after their discovery, albeit no later than before the expiry of 6 weeks from delivery. If Buyer fails to comply with the aforementioned obligations, the goods shall be deemed accepted. In the event of justified notifications of defects, we shall carry out replacement delivery or after-working at our expense and option, ruling out further claims to warranty – see below with regard to claims to damage – or arrange for the agreement to be cancelled. Assured properties must be expressly agreed as such. The right

to deviations from sample, colour, quality, weight etc. customary in the branch shall be reserved. Delivery of a small quantity of defective goods up to 5 per cent of the total quantity (per finish) shall not give rise to a complaint.

- (b) With the exception of claims to damage on account of expressly assured properties, all claims to damages by Buyer (e.g. from arrears, impossibility of performance, culpa in contrahendo, positive breach of agreement or tort), both against us and also against our legal representatives and managerial employees shall be ruled out to the extent that they are not based on malice aforethought or gross negligence by the aforementioned persons.

However, we shall only be liable for reimbursement of the amount of the typical, foreseeable damage (i.e. up to the amount of the additional expenditure for covering purchases or substitute performance). The aforementioned limitations of liability shall also apply to consequential damage from defects in quality.

7. Retention of title

- (a) We reserve title to the goods supplied by us until Buyer has paid all claims from the business relationship, in particular all and any current account balance. This shall apply in the event of acceptance of bills/cheques until they are credited to us.
- (b) Disposal of the conditional commodities shall only be permitted in the course of ordinary business dealings. The claims against third parties resulting from the re-sale shall pass to us and shall be assigned to us upon re-sale without a specific declaration of assignment being necessary therefor in the individual case. Upon request by us, Buyer shall be obliged to prove each of its claims against third parties from re-sale and to notify the subsequent acquirers of the assignment with the request that they pay to us. We shall at any time be entitled to notify the subsequent acquirers of the assignment and to make collection of the claims ourselves. Buyer shall not be authorised to make any other kind of disposal. Buyer shall notify us without delay of seizures and other interventions of third parties by which our commodities and rights are affected.
- (c) If our conditional commodities are processed, combined, connected or consumed, Buyer here and now transfers its (co-)ownership of the newly created object to us pro rata to the value (invoice value) by way of security in order to secure our claims with the simultaneous agreement that it shall keep this commodity free of charge on our behalf. All claims from the processing, combining, consumption or sale of our conditional commodities or the ownership by way of security replacing the conditional commodities are here and now assigned to us by Buyer to the amount of the residual claim to the purchase price with all subsidiary rights for securing of our claims. If the commodities in which we have co-ownership are sold, the assignment shall be limited to the first-ranking part of the claim corresponding to our share of co-ownership.
- (d) Buyer shall store our conditional commodities separately or identify them unambiguously. Re-sale or consumption as well as processing, combining or connection may only be done in ordinary business dealings and as long as Buyer has complied with its obligations to payment. Seizure and transfer by way of security shall not be permitted. Return of conditional commodities shall only be deemed withdrawal from the agreement if this has been expressly notified to Buyer.
- (e) We shall be entitled to demand securities to an adequate amount and in a form satisfying us (e.g. dead pledge) for proper fulfilment of Buyer's liabilities.
- (f) If the value of the securities granted to us on the basis of the aforementioned sections exceeds the claim to be secured by more than 20 per cent, we shall arrange for securities of our choice or their release upon request by Buyer.
- (g) If Buyer goes bankrupt, makes an application for bankruptcy or settlement, stops its payments, offers its creditors a moratorium or becomes insolvent for any other reason, we shall be entitled to demand return of the delivered commodities still in its possession without delay. For this purpose, we shall be entitled to access to Buyer's business premises. Likewise, the authorisation for re-sale of the conditional commodities shall expire in such cases.

8. Setoff and right of retention

Setoffs and rights of retention shall only be admissible on account of undisputedly legally effective claims or those ready for decision.

9. **Excess or short deliveries**

Excess or short deliveries of plus/minus 10 per cent shall not entitle Buyer to notifications of defects.

10. **Place of performance and place of jurisdiction** Place of performance for delivery and payments for both parties shall be 50933 Cologne, Germany; the place of jurisdiction for claims by either party shall be Cologne, Germany. The law of the Federal Republic of Germany shall apply exclusively.

11. **Miscellaneous**

- (a) Apart from this, the provisions customary in the branch shall apply.
- (b) If individual provisions of the agreement are or become ineffective, this shall not affect the validity of the entirety of the agreement. In such a case, Parties shall be obliged to make all declarations of intent and to take all actions necessary in order to agree a legally effective regulation coming legally and commercially as close to the ineffective one as possible.

12. **Data protection**

The data necessary for handling business shall be stored.